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November 19, 2018

VIA ELECTRONIC FILING

Jocelyn Boyd, Esquire Chief Clerk and Administrator South Carolina Public Service Commission 101 Executive Center Drive Columbia, SC 29210

RE: Application of Carolina Water Service, Inc. for Approval to Charge Actual Cost for

Pumping Interceptor Tanks Docket No. 2018-361-S

Dear Ms. Boyd:

Carolina Water Service, Inc. ("CWS" or the "Company") requests that it be permitted to amend its service terms and conditions to authorize it to charge its customers the actual cost of pumping and cleaning their interceptor tanks. By correspondence dated November 29, 2018, the Office of Regulatory Staff ("ORS") informed the Public Service Commission ("Commission") that it had no objection to CWS' request. The matter was placed on the Commission's agenda for its December 5, 2018 meeting.

In its letter of December 3, 2018, the ORS raised a concern over the cost to access, pump and /or clean the solids interceptor tank. ORS proposes to limit CWS' cost recovery to \$300, provided that if the estimated cost to pump the tank exceeds \$300, the Company must provide the homeowner with a cost estimate for the pumping charge and seek customer approval for the charge if the Company is to recover its pumping costs. In no event would CWS be permitted to charge its customer in excess of the cost estimate.

CWS objects to the ORS proposal. The ORS proposal is based upon a 2008 order in an unrelated docket. Recent events have demonstrated the importance of maintaining LETTS systems. When an interceptor tank is full, it creates the potential for a sanitary sewer overflow ("SSO") or backup into the customer's residence. Circumstances will not always permit CWS the luxury of time to act to pump an interceptor tank. Permitting CWS to act immediately to pump an interceptor tank serves to reduce a health risk to the public and the customer. The cost to pump the interceptor tanks is beyond CWS' control. While the ORS proposal would permit the customer to negotiate the cost of pumping the tank, the proposal creates delays which may prove harmful to the public and customer.

Jocelyn Boyd, Esquire Chief Clerk and Administrator South Carolina Public Service Commission December 3, 2018 Page 2

Moreover, the ORS proposal creates an adversarial relationship between CWS and its customer. Under the ORS proposal, a customer would have the right to object to the pumping cost and attempt to negotiate the terms under which his interceptor tank is pumped. Thus, CWS is placed in the untenable position of risking an SSO or the immediate termination of the customer's service to prevent an SSO. The ORS proposal creates more problems than it solves and CWS submits that its proposed tariff change is in the customer's interest and in the public interest.

The current approximate cost to pump an interceptor tank is \$500. Were the Commission to conclude that placing a cap on the pumping costs is desirable, CWS submits that a cap of \$500 is more realistic and CWS would propose that it be permitted to inspect, clean and pump interceptor tanks and pass the actual cost on to the customer without notification if the cost is less than \$500. For costs estimated in excess of \$500, to reduce the risk of SSOs or sewer backups, CWS should be permitted to terminate a customer's service for failure to authorize CWS to pump the interceptor tank within 24 hours of the customer's receipt of notification of the cost estimate.

CWS submits that its tariff change authorizing it to charge its customers the actual cost of cleaning and pumping the interceptor tanks as proposed is reasonable and in the public interest. CWS is prepared to provide its affected customers with notice of the tariff change.

If you have any questions or if I may provide you with any additional information, please do not hesitate to contact me.

Sincerely,

Elliott & Elliott, P.A

Scott Elliott

SE/lbk

cc: All Parties of Record (via E-mail)